

Rachel's Environment & Health News

#695 - Biotech In Trouble--Part 1

May 03, 2000

The agricultural biotechnology industry's situation is desperate and deteriorating. To be sure, genetically engineered (GE) food is still selling briskly on grocery shelves in the U.S. but probably only because GE products are not labeled, so consumers have no idea what they're buying.

At present, an estimated 2/3rds of all products for sale in U.S. grocery stores contain genetically engineered (GE) crops, none of which are labeled as such.[1] However, polls show that U.S. consumers overwhelmingly want GE foods labeled. In a TIME magazine poll in January, 1999, 81 percent of respondents said genetically engineered foods should be labeled.[2] A month earlier, a poll of U.S. consumers by the Swiss drug firm Novartis had found that more than 90% of the public wants labeling.[3] The NEW YORK TIMES reported late last year that a "biotech industry poll" showed that 93% of Americans want genetically engineered foods labeled.[4] Legislation requiring labels on GE foods was introduced into Congress last November by a bi-partisan group of 20 legislators.[5]

For five years the GE food industry has been saying GE foods couldn't be labeled because it would require segregating GE from non-GE crops -- a practical impossibility, they said. However, in December, 1999, Monsanto announced that it had developed a new strain of rapeseed (a crop used to make canola cooking oil) that might raise the levels of vitamin A in humans.[6] How could consumers identify (and pay a premium price for) such a product if it weren't labeled? Obviously labeling will become possible -- indeed, essential -- when it serves the interests of the biotech corporations.

Many food suppliers seem to have figured out for themselves how to segregate GE crops from non-GE. According to the NEW YORK TIMES, Kellogg's, Kraft Foods, McDonald's, Nestle USA, and Quaker Oats all sell gene-altered foods in the U.S. but not overseas.[7] Gerber and H.J. Heinz announced some time ago that they have managed to exclude genetically modified crops from their baby foods.

For its part, the U.S. government has steadfastly maintained that labeling of GE foods is not necessary -- and might even be misleading -- because traditional crops and GE crops are "substantially equivalent." For example, the government has maintained that Monsanto's "New Leaf" potato -- which has been genetically engineered to incorporate a pesticide into every cell in the potato, to kill potato beetles -- is substantially equivalent to normal potatoes, even though the New Leaf potato is, itself, required to be registered as a pesticide with U.S. Environmental Protection Agency (EPA). (See REHW #622.)

Now the government's position has become untenable. In February of this year, the government signed the international BioSafety Protocol, a treaty with 130 other nations, in which all signatories agree that genetically modified crops are significantly different from traditional crops. Thus with the swipe of a pen, the U.S. government has now formally acknowledged that GE crops are not "substantially equivalent" to traditional crops.

Meanwhile, a groundswell of consumer protest reached a crescendo last year in England and Europe, then spread to Japan and the U.S. where it has severely eroded investor confidence in the industry. Major U.S. firms that had invested heavily in the technology are now being forced to pull back. As we reported earlier (REHW #685), Monsanto, Novartis, and AstraZeneca all announced in early January that they are turning away from -- or abandoning entirely -- the concept of "life sciences" -- a business model that combines pharmaceuticals and agricultural products. The NEW YORK TIMES reported in January that American Home Products -- a pharmaceutical giant -- "has been looking for a way to unload its agricultural operations." At that time the TIMES also said, "Analysts have speculated that Monsanto will eventually shed its entire agricultural operation." [8] In late February, DuPont announced that

it was returning to its traditional industrial chemical business to generate profits. The WALL STREET JOURNAL said February 23, "But the big plans DuPont announced for its pharmaceuticals and biotech divisions fizzled as consolidation changed the landscape, and investor enthusiasm cooled in the face of controversy over genetically engineered crops." [9]

Investors are not the only ones turning away from genetically engineered foods. The WALL STREET JOURNAL announced in late April that "fast-food chains such as McDonald's Corp. are quietly telling their french-fry suppliers to stop using" Monsanto's pesticidal New Leaf potato. "Virtually all the [fast food] chains have told us they prefer to take nongenetically modified potatoes," said a spokesperson for the J.M. Simplot Company of Boise, Idaho, a major potato supplier. [10] The JOURNAL also reported that Procter and Gamble, maker of Pringles potato chips, is phasing out Monsanto's pesticidal potato. And Frito-Lay -- which markets Lay's and Ruffles brands of potato chips -- has reportedly asked its farmers not to plant Monsanto's GE potatoes. A spokesperson for Burger King told the WALL STREET JOURNAL that it is already using only traditional potato varieties. A spokesperson for Hardees, the restaurant chain, told the WALL STREET JOURNAL that Hardees is presently using Monsanto's pesticidal potato but is considering whether to abandon it.

Earlier this year, Frito Lay also told its corn farmers to abandon genetically-modified varieties of corn for use in Doritos, Tostitos, and Fritos. [7]

According to the NEW YORK TIMES, U.S. farmers have sustained a serious financial blow because they adopted genetically engineered crops so rapidly. In 1996, the U.S. sold \$3 billion worth of corn and soybeans to Europe. Last year, those exports had shrunk to \$1 billion -- a \$2 billion loss. The seed sellers like Monsanto and DuPont got their money from the farmers, so it is the farmers who have taken the hit, not the ag biotech firms. [11]

The WALL STREET JOURNAL reported April 28 that, "American farmers, worried by the controversy, are retreating from the genetically modified seed they raced to embrace in the 1990s... government and industry surveys show that U.S. farmers plan to grow millions fewer acres of genetically modified corn, soybeans and cotton than they did last year." [10]

The ag biotech firms dispute this assessment. They say demand for genetically modified crops has never been better. Less than a year ago Robert Shapiro, the chief executive officer of Monsanto, said bravely, "This is the single most successful introduction of technology in the history of agriculture, including the plow." [12] This year a spokesperson for Monsanto says, "We're seeing a very stable market. There's no major step backward; it's now a matter of how much we'll grow." [11] But Gary Goldberg, president of the American Corn Growers Association, told the NEW YORK TIMES recently that he believes that genetically modified (GM) corn plantings will be down about 16% this year, compared to last. He indicated that the ag biotech firms are resorting to deception to maintain sales: "The [ag biotech] companies are deceiving farmers into thinking their neighbors are planting G.M.," he told the NEW YORK TIMES. [11]

In coming days, genetically engineered (GE) food is likely to get more attention from the public. Last month the National Academy of Sciences issued a report confirming what critics have been saying about GE crops: they have the potential to produce unexpected allergens and toxicants in food, and the potential to create far-reaching environmental effects, including harm to beneficial insects, the creation of super-weeds, and possibly adverse effects on soil organisms. The Academy said there was no firm evidence that GE foods on the market now have harmful effects on humans or the environment, but the Academy also indicated that testing procedures to date have been woefully deficient. [13] Indeed, the present regulatory system is voluntary, not mandatory, so it is possible that

the government may not even know about all of the genetically engineered foods being sold in the U.S. today.

The Academy pointed out that roughly 40 GE food products have, so far, been approved for sale in the U.S. but approvals have also been given for an additional 6,700 field trials of genetically modified plants.[13,pg.35] And a NEW YORK TIMES story May 3 about super-fast-growing GE salmon noted that "a menagerie of other genetically modified animals is in the works.... Borrowing genes from various creatures and implanting them in others, scientists are creating fast-growing trout and catfish, oysters that can withstand viruses and an 'enviropig,' whose feces are less harmful to the environment because they contain less phosphorus." [14] The TIMES went on to say that, "...[C]ritics and even some Clinton administration officials say genetically engineered creatures are threatening to slip through a net of federal regulations that has surprisingly large holes.... United States regulators interviewed could not point to any federal laws specifically governing the use or release of genetically engineered animals."

The Clinton/Gore administration announced last week that it will "strengthen" the regulatory system for genetically engineered foods but said the new regulations will definitely not require GE products to carry a label, despite overwhelming public demand for labels. Thus the government's latest regulatory initiative makes one thing crystal clear: what the Clinton/Gore administration and the biotech companies fear most is an informed public.

It will take years before anyone knows what the new regulations entail, or how effective they prove to be. By that time, there may have been hundreds of genetically modified plants and animals introduced into the environment with little or no regulatory oversight. The public is legitimately concerned about this.

In response to these legitimate concerns, the biotech corporations have begun to spend tens of millions of dollars on a public relations campaign because "the public has the right to know more about the benefits of biotechnology." Details next week.

--Peter Montague (National Writers Union, UAW Local 1981/AFL-CIO)

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[1] Carey Goldberg, "1,500 March in Boston to Protest Biotech Food," NEW YORK TIMES March 27, 2000, pg. A14.

[2] Marian Burros, "Eating Well; Different Genes, Same Old Label," NEW YORK TIMES September 8, 1999, pg. F5.

[3] Marian Burros, "Eating Well; Chefs Join Effort to Label Engineered Food," NEW YORK TIMES December 9, 1998, pg. F14.

[4] Marian Burros, "U.S. Plans Long-term Studies on Safety of Genetically Altered Foods," NEW YORK TIMES July 14, 1999, pg. A18.

[5] David Barboza, "Biotech Companies Take On Critics of Gene-Altered Food," NEW YORK TIMES November 12, 1999, pg. A1.

[6] Bloomberg News, "New Crop is Said to Aid Nutrition," NEW YORK TIMES December 10, 1999, pg. C20.

[7] "Eating Well; What Labels Don't Tell You (Yet)," NEW YORK TIMES February 9, 2000, pg. F5.

[8] David J. Morrow, "Rise and Fall of 'Life Sciences'; Drugmakers Scramble to Unload Agricultural Units," NEW YORK TIMES

January 20, 2000, pg. C1.

[9] Susan Warren, "DuPont Returns to More-Reliable Chemical Business -- Plans for Biotech, Drug Divisions Fizzle as Mergers Change Landscape," WALL STREET JOURNAL February 23, 2000, pg. B4.

[10] Scott Kilman, "McDonald's, Other Fast-Food Chains Pull Monsanto's Bio-Engineered Potato," WALL STREET JOURNAL April 28, 2000, pg. B4.

[11] David Barboza, "In the Heartland, Genetic Promises," NEW YORK TIMES March 17, 2000, pg. C1.

[12] David Barboza, "Monsanto Faces Growing Skepticism On Two Fronts," NEW YORK TIMES August 5, 1999, pg. C1.

[13] National Research Council, GENETICALLY MODIFIED PEST-PROTECTED PLANTS: SCIENCE AND REGULATION (Washington, D.C.: National Academy Press, 2000). ISBN 0309069300. Pre-publication copy available at <http://www.nap.edu/html/gmpp/>.

[14] Carol Kaesuk Yoon, "Altered Salmon Leading Way to Dinner Plates, But Rules Lag," NEW YORK TIMES May 1, 2000, pg. A1.